



Proceedings of International Conference on Strategies in  
Volatile and Uncertain Environment for Emerging Markets  
July 14-15, 2017  
Indian Institute of Technology Delhi, New Delhi  
pp.821-829

## A Study on Pro-Social Rule Breaking Behaviour of the Customer Contact Employees of State Bank of India

Lisbeth Mary John<sup>1</sup>, Aruna B<sup>2</sup>, Aida Ann Issac<sup>3</sup> and K. Muhammad Shafi<sup>4</sup>

### Abstract

*Customer contact employees undertake crucial roles in any business organisations, specifically in service organisations and they are instrumental in ensuring customer outcomes leading to profitability, and competitiveness of the firm. The service excellence largely depends on the critical interactions that take place between the customer contact employees and the customers. The present study conducted among clerks and probationary officers of State Bank of India in the state of Kerala aims at understanding these interactions with a perspective on the possibilities of pro-social rule breaking behaviour. Pro-social rule breaking behaviours are the intentional employee deviance from the company policies, rules and norms for the benefit of customers, co-workers and organisation in general. In this paper, we explore the relationship between organisational structure and pro-social rule breaking behaviour. Our findings indicate that management can strategically regulate pro-social rule breaking behaviours depending on the frame of reference by combining appropriate dimensions of the organisational structure. The study also empirically explains types of pro-social rule breaking behaviour that occur in the bank and the effect of determinants namely social support and demographics on its emergence.*

**Keywords:** Constructive deviance, Customer contact employee, Organisational structure, Pro-social rule breaking behaviour, Social support.

---

### 1. Introduction

Service organisations rely on customer contact employees (CCEs) for ensuring productivity and competitiveness. CCEs are boundary spanners who perform unique work, related to the delivery of promised service quality, service recovery and customer satisfaction through one to one interactions – often referred as “moments of truth” (Beaujean *et al.*, 2006). There is a scarcity of literature on the extra-role behaviour of CCEs, despite the importance of these behaviours. Our study aims to focus on this research gap by exploring pro-socially motivated rule breaking behaviour of CCEs. CCEs face conflicting demands and expectations from the customers and the organisation. The study looks into how CCEs manage these contradictions by strategically deviating from rules without upsetting organisational order and equilibrium. The construct which we are studying is pro-social rule breaking behaviour (PSRB), a form of constructive deviance where employees deviate intentionally from rules with pro-social orientation (Morrison, 2006; Vadera *et al.*, 2013). When confronted with conflicting expectations, employees may decide to

- 
1. Research Scholar, School of Management Studies, NIT Calicut
  2. Faculty Member, School of Management Studies, NIT Calicut
  3. School of Management Studies, NIT Calicut
  4. Assistant Professor, School of Management Studies, NIT Calicut

act in the overall interests of the organisation or its stakeholders by even overriding the established routines, rules and regulations (Dahling *et al.*, 2012). Employees engage in PSRB for the following three reasons: to perform one's job efficiently; to help co-workers or subordinates; to provide customer service (Morrison, 2006). Extant literature provides information on the possible antecedents of PSRB. A common thread of these studies is that PSRB happens with the person, the factors in the environment or the interaction between both making these behaviours more or less likely. Our aim is to investigate the role of organisational structure and social structure on the emergence of PSRB. The study context is banking industry where the survey conducted among clerks and probationary officers serving at the branches of State Bank of India (SBI) in Kerala. In this paper, we begin with a brief account of previous studies on PSRB and its determinants focussing our attention on situational characteristics. Next, we describe the formulation of the conceptual model, the research design and execution of our study and the findings. We concluded that CCEs engage in PSRB in response to their perception of organisational structural characteristics and these behaviours are managed through employee empowerment and structural adjustments.

## 2. Literature Review

PSRB covers the deliberate employee deviance from organizationally adopted and enforced top-down rules, policies, regulations (Zou, 1993) rather than the breaking of emergent and informal norms that develop within social groups (Levine and Moreland, 1998). Violations committed by chance, are not categorised as PSRB behaviours. Employees engage in PSRB to benefit the concerned stakeholder and to benefit the organisation as a whole. Like the other pro-social behaviours (i.e. organisational citizenship behaviour, corporate social responsibility, employee voice, whistle blowing and creativity/innovation) PSRBs are also pro-social behaviours (Morrison, 2006; Dahling *et al.*, 2012).

Considering the above-mentioned characteristics of PSRB, namely, deviation from organisational rules and pro-social orientation Vadera and his colleagues (2013) have included PSRB under the umbrella of constructive deviance and recommended future integrated research. However, PSRB, in reality, are not considered constructive by organisational members as evidenced by the low performance ratings by superior and peer (Dahling, 2012). Hence PSRB needs to be investigated independently.

Although PSRB is an important factor regarding facilitating customer satisfaction and organisational wellbeing, in comparison with other constructive deviant workplace behaviours, the studies, defining the antecedents of PSRB are limited and require more theoretical and empirical approach to clarify its nature (Morrison, 2006; Dahling, 2012). The antecedents of PSRB such as; personality traits (Big Five) (Morrison, 2006), transformational leadership (Huang Youli *et al.*, 2014) were studied. Vadera and colleagues (2013) after considering many studies about the constructive deviance have summed the driving factors into three mechanisms; intrinsic motivation, felt obligation and psychological empowerment. Of these psychological empowerment refers to "a group of variables that work to strengthen the individual in some way, promoting her or him the capacity to engage in constructive deviance" (Vadera *et al.*, 2013). Based on the above, we state that some personal and organizational variables empower CCEs to engage in PSRB. Our study focuses on organisational antecedents and its effect on PSRB.

### **Organisational Structure and Social Support**

The organisation structure and social support are assumed to be important predictors of PSRB. The literature claims that variables such as centralization, formalisation and social support are related to individual performance (Andrews *et al.*, 2009), and organisational innovation (Damanpour,

1991). Organisational structure has two important features namely formalisation and centralization and is further divided into four sub-dimensions (Hage and Aiken, 1967; Matherly, 1985; Hall, 1991). Centralization has two sub-constructs: the participation in decision-making which is the degree of involvement in the decisions on policy formulation or resource distribution, and the hierarchy of authority which specifies the level of supervisory involvement in the task performance decisions. Formalisation is the use of rules in an organisation and is with two sub-dimensions; job codification and rule observation (Hage and Aiken, 1967). Job codification is the degree to which job descriptions are specified, and rule observation is the degree to which people are supervised conforming to the standards. Most service firms are designed as hierarchical and formalised to ensure standardisation. The more routine an organisation is and the more centralised the decision-making and more would be the specificity of the job. Hence, it is reasonable to assume that as the structure gets more centralised and formalised, the extent of PSRB reduces.

Social support captures the general social environment in the workplace, where the supervisors and peers play major part. It drives psychological empowerment, employee imitativeness and innovative behaviour (Kanter, 1989; Thomas and Velthouse, 1990). Employees are “socially embedded” in the organisational networks (Granovetter, 1985) and using this network (comprising of peers, subordinates and superiors) employees connect to one another, to accomplish their work efficiently (Spreitzer, 1996). Workplace deviance occurs due to the influence of work groups (Peterson, 2002). Thus we argue that support from peers/superiors/teammates drive the emergence of PSRB among CCEs. The conceptual framework (Figure 1) for the present study is as follows:

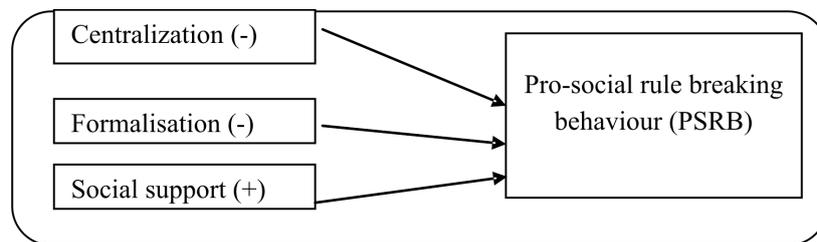


Figure 1: Conceptual Framework

### 3. Methodology

The study surveyed clerks and probationary officers working at the branches of SBI bank in the state of Kerala adopting purposive sampling with a response rate of 84.2 %. The size of the sample taken for the study is 386. The sample size was calculated using the formula: “Sample Size =  $(Z\text{-score})^2 * StdDev * (1 - StdDev) / (\text{margin of error})^2$ ”. The questionnaire designed for data collection comprised of two sections. The first section was meant to measure perceptions on organisational structure, social support and PSRB. Organisational structure measure with two sub-variables namely centralization (9 items) and formalisation (7 items) was adopted from Aiken and Hage (1969). Social support is measured using 6 items (Gretchen, 1996) and PSRB was measured using 12 items (Dahling *et al.*, 2012). The later section was designed to measure demographic variables such as age, gender, education, marital Status, family income and work experience. Data collection mode was online, and Google Forms was used for the same.

The sample included a mix of people who belonged to various age groups starting from 20-30 categories. Most of the respondents were in the age group 20 to 30, and very few were in the age group 31 to 40. Male respondents were higher in number (236) compared to Female

respondents. Graduates were 236 in number and remaining were post graduates. The respondents had around 264 married people. Most of the people (240) had more than 6 years of experience in the bank. There is an equal representation of people whose family income between 2.5-5.5 lakhs and people who earn more than 8.5 lakhs.

#### 4. Influence of Demographic Factors

The analyses have been conducted to investigate the effect of demographic factors such as gender, age, marital status, educational qualification, family income and work experience. ANOVA and t-tests have been used to compare the mean difference. The Independent sample t-test, a parametric test compares the means of two independent groups to determine whether there is statistical evidence that the associated population means are significantly different. Independent Samples t-test is a parametric test. ANOVA is useful when there are more than two groups in a category. The results of the study (Table 1) are as follows:

**Table 1: Influence of Demographic Factors**

Variables	Age (F)	Gender (t)	Marital status (F)	Education (t)	Family income (F)	Work experience (F)
Centralization	4.56**	3.38**	29.58**	2.86**	10.38**	23.46**
Formalization	20.19**	0.35	6.21**	5.15**	3.37**	7.14**
Social support	20.01**	1.078	12.74**	2.96**	18.76**	44.28**
PSRB	30.85**	1.39	22.69**	3.56	3.05**	15.31**

Source: ANOVA and t-test of Primary data

The results show lack of gender influence excepting for the variable centralisation. A other demographic variables had significant influence in the way people perceive centralization, formalisation, social support and intention to engage in PSRB. Graduate employees perceive more centralization than others while postgraduates perceive high formalisation, social support and high intention to engage in PSRB. Centralization (26.42) and formalisation (18.06) was perceived high among youngsters. People belonged to 41-50 age group perceived more social support (8.47). PSRB was reported high for 31-40 age category (41.64) followed by 41-50 (40.51), then 20-30 (31.22) and people belonging to age group 50and above (28.86). More than youngsters (20-30 group) 31-40 aged people engaged in PSRB. Single people scored high for centralization (26.08) and formalisation (17.62). Married people scored high in reporting PSRB (34.08), and widowed people perceived more social support in the organisation (30).

When it comes to family income, people who earned less perceived high centralization (30), formalisation (19) and social support (30). But PSRB was reported more among people who earn from 2.5 lakhs to 8.5 lakhs. Experienced people perceived great centralization (32.1), formalisation (17.6), and social support (29.4) reported more PSRB (43). As people gain more experience, they develop mastery and social connections to substitute centralization and formalisation. Therefore, they seem to engage more in PSRB.

#### 5. Scale Reliability and Validity

The scales were checked for internal consistency using Cronbach's Alpha Test. As a rule of thumb, the acceptable level of Cronbach's Alpha required for a construct is 0.7 or higher. The Cronbach's Alpha for centralization is 0.76, 0.80 for formalisation, and 0.86 for Social Structure

and PSRB, it is 0.91. Since all constructs have a Cronbach's alpha more than 0.7, the scale is retained as such.

PSRB was reported to have three categories based on the objectives; to perform one's job efficiently, to help co-workers or subordinates and to provide good customer service (Morrison, 2006). Factor analysis of PSRB scale was conducted using principal component analysis and varimax rotation method. The result of Kaiser-Meyer-Olkin of sample adequacy obtained was 0.73. Its value should be more than 0.5 for a satisfactory analysis to proceed. The Bartlett's test for sphericity resulted in 8501 at 0.00 significance level indicating suitability of the data for employing factor analysis. The results (See Appendix 1) showed that there are three factors; namely, job related PSRB, customer related PSRB and co-worker related PSRB. When employees engage in job efficiency and customer oriented PSRB, it may have an impact on customer outcomes. Co-worker PSRB might not be functional in all contexts, though it is assume to be contributing to the social capital.

**Likewise, factor analysis on centralization, formalisation and social support showed the existence of seven factors. K.M.O measure is found to be 0.525, which is not great still at acceptable level. The seven factors (Table 2) were defined according to the factor loadings.**

**Table 2: Factor list of Independent Variables**

<b>Factor</b>	<b>Explanation</b>
1. Participative decision making	This factor includes all the items which take response from employees for their value on how much their opinions are considered for decision making in the firm.
2. Rule Observation	This factor includes all the items that take the response from the employees regarding how far rules are specified in the organisation.
3. Peer support	This factor includes all the items that take the response from the employees regarding the support from their co-workers other than their teammates.
4. Superior support	This factor includes all the items that take the response from the employees regarding how much support their supervisors give them.
5. Freedom at work	This factor includes all the items that take the response from the employees regarding the extent of autonomy in the organisation.
6. Team support	This factor includes all the items that take the response from the employees regarding the support from their teammates.
7. Behaviour control	This factor includes all the items that take the response from the employees regarding their opinion on how much they feel they are being monitored for rule observation.

Source: Exploratory factor analysis of primary data

## **6. Organisational Antecedents of PSRB**

Preliminary analysis of the primary data was undertaken to identify the mean, standard deviation, reliability and correlation between variables .Multivariate regression analysis was carried out to identify how these seven organisational structural factors predicted PSRB. Three regression analyses were carried out for three different factors of PSRB. The results are reported in Table

3. Supervisory support did not significantly predict job-related PSRB. Factors such as participative decision making ( $\beta=0.49$ ), freedom at work ( $\beta=0.51$ ), team mates' support ( $\beta=0.13$ ), behavioural control ( $\beta=0.22$ ), peer support ( $\beta=0.33$ ) and rule observation ( $\beta=-0.07$ ) had significant effects on the likelihood job oriented PSRB engagement. These variables in combination could explain 67.8% of the variance ( $R^2=0.678$ ,  $F=116.54$ ,  $P<0.05$ ).

Supervisory support and participative decision making did not significantly predict customer related PSRB. Factors such as freedom at work ( $\beta=0.39$ ), teammates' support ( $\beta=0.28$ ), behavioural control ( $\beta=-0.25$ ), Peer support ( $\beta=0.33$ ) and rule observation ( $\beta=-0.27$ ) had significant effects on the likelihood of customer oriented PSRB engagement. These variables combined explained 47% of the variance ( $R^2=0.467$ ,  $F=49.7$ ,  $P<0.05$ ).

Factors such as supervisory support ( $\beta=-0.09$ ), participative decision making ( $\beta=-0.14$ ), freedom at work ( $\beta=0.15$ ), team mates' support ( $\beta=-0.15$ ), behavioural control ( $\beta=-0.11$ ), social structure ( $\beta=-0.29$ ) and rule observation ( $\beta=-0.49$ ) had significant negative effects on the likelihood co-worker oriented PSRB engagement. These variables combined explained 40% of the variance ( $R^2=0.398$ ,  $F=37.31$ ,  $P<0.05$ ).

**Table 3: Organisational Antecedents of Work Related, Customer Related and Co-Worker Related PSRB**

Variables	Job efficiency related	Customer related	Co-worker related
	Standardized $\beta$	Standardized $\beta$	Standardized $\beta$
Constant	0.003**	0.002**	0.002**
Participative decision making	0.49**	0.009**	-0.135**
Peer support	-0.33**	0.326	-.298**
Rule observation	-0.071**	-0.269**	-0.487**
Supervisor support	0.031	-0.003	-0.086**
Freedom at work	0.512**	0.397**	-0.148**
Teammates support	0.126**	0.282**	-0.147**
Behavioural control	0.219**	-0.251**	-0.114**
Adjusted R <sup>2</sup>	0.678	0.47	0.398
F value	116.54**	49.72**	37.31**

Source: Regression analysis of primary data

## 7. Discussion

The study provides support for the idea that under the influence of certain organizational factors customer contact employees do take the risk of breaking organisational rules for performing their roles effectively. Our findings corroborate the previous studies on PSRB (Morrison, 2006; Dahling, 2012). However, perceived supervisor support didn't significantly predict work-related and customer related PSRB. A study on customer oriented PSRB (Mayer *et al.*, 2007) had reported that high superior –subordinate relationship quality predicts PSRB and the perceived superior support mediated the relationship. Furthermore, the relationship is also moderated by

policy fairness. Thus perceived supervisor support alone may not be able to predict PSRB. Moreover, supervisors are reported to rate task performance lower for employees who engage in PSRB (Dahling, 2010). Therefore employees may desist from breaking the rules if they hope to retain supervisor support. Supervisor support was a significant negative predictor of co-worker related PSRB. It might be because employees may be more committed to leadership as they are a part of 'in-group' of the supervisor, which makes them deviate less from rules upsetting justice perceptions. High behaviour control and rule observation in the workplace significantly reduces customer related and co-worker related PSRB but predicts job efficiency related PSRB. It reflects the fact that they deviate from rule only for job efficiency which could be defended successfully. But, they will not risk the disciplinary actions even if deviance helps customers or co-workers. All the seven factors have significant negative prediction on co-worker related PSRB, which indicate that organisational structure and social support variables are useful in controlling the co-worker oriented PSRB. Moreover personal variables may be influential than organisational variables.

Thus our study reveals directions for managing different types of PSRB. For example, if the CCEs engage in customer related and job related PSRB resulting in positive customer outcomes, an organisation can promote it by driving empowerment (participation in decision making, freedom at work) and by liberalising the rule observation and behavioural control related to customer interactions. Social networks are also influential in regulating customer oriented PSRB, while they discourage co-worker PSRB, which could be dysfunctional.

## **8. Limitations and Implications**

The relationship between PSRB and customer satisfaction is not studied as part of this study. Unless this is related to final customer outcomes (retention and satisfaction), the implication of the present study is incomplete. Another limitation would be the question related to generalizability of the findings as the data were collected from one bank only. Future efforts will have to be taken to remedy this limitation.

The results of this study contribute to research on constructive deviance and also to the research on CCEs discretionary behaviours by establishing that employees will be forced to disobey rules to overcome the barriers that impede customer service quality. The idea in this paper raise a crucial question relates to the organisational implications of PSRB for future investigation. Customer oriented and work oriented PSRB may have powerful implications for enriching customer encounters. Organisations create and enforce rules to ensure standardisation and discipline. So there is a possibility that PSRB though conceptualised as functional may turn into dysfunctional. Hence future research should focus attention on ascertaining the PSRB consequences.

## **References**

- Andrews, R., Boyne, G.A., Law, J., and Walker, R.M. (2009) Centralization, Organisational Strategy, and Public Service Performance, *Journal of Public Administration Research and Theory*, 19(1), 57-80.
- Beaujean, M., Davidson, J., and Madge, S. (2006) The 'Moment of Truth' in Customer Service, *McKinsey Quarterly*, (1), 62-73.
- Bowen, J. T., and Chen, S. L. (2001) The Relationship between Customer Loyalty and Customer Satisfaction, *International Journal of Contemporary Hospitality Management*, 13(5), 213-217.
- Chung, B.G., and Schneider, B. (2002) Serving Multiple Masters: Role Conflict Experienced by Service Employees, *Journal of Service Marketing*, 16(1), 70-87.
- Dahling, J. J., Chau, S. L., Mayer, D. M., and Gregory, J. B. (2012) Breaking Rules for the Right Reasons? An Investigation of Pro-Social Rule Breaking, *Journal of Organizational Behaviour*, 33(1), 21-42.

Lisbeth Mary John, Aruna B, Aida Ann Issac and K. Muhammad Shafi

- Damanpour, F. (1991) Organisational Innovation: A Meta-Analysis of Effects of Determinants and Moderators, *Academy of Management Journal*, 34(3), 555-590.
- Dewar, R.D., Whetten, D.A., and Boje, D. (1980) An Examination of the Reliability and Validity of the Aiken and Hage Scales of Centralization, Formalisation, and Task Routineness, *Administrative Science Quarterly*, 120-128.
- Janssen, O. (2005) The Joint Impact of Perceived Influence and Supervisor Supportiveness on Employee Innovative Behaviour, *Journal of Occupational and Organisational Psychology*, 78(4), 573-579.
- Mayer, D.M., Caldwell, J., Ford, R.C., Uhl-Bien, M., and Gresock, A.R. (2007) Should I Serve My Customer or Supervisor? A Relative Perspective on Pro-Social Rule Breaking, Paper Presented at the 67<sup>th</sup> Annual Meeting of the Academy of Management, Philadelphia, A.
- McMullan, R., and Gilmore, A. (2003) The Conceptual Development of Customer Loyalty Measurement: A Proposed Scale, *Journal of Targeting, Measurement and Analysis for Marketing*, 11(3), 230-243.
- Morrison, E. W. (2006) Doing the Job Well: An Investigation of Pro-Social Rule Breaking, *Journal of Management*, 32(1), 5-28.
- Wayne, S. J., Shore, L. M., and Liden, R. C. (1997) Perceived Organisational Support and Leader-Member Exchange: A Social Exchange Perspective, *Academy of Management Journal*, 40(1), 82-111.
- Youli, H., Xixi, L. U., and Xi, W. A. N. G. (2014) The Effects of Transformational Leadership on Employee's Pro-Social Rule Breaking, *Canadian Social Science*, 10(1), 128.

**Appendix I**  
**Factor Analysis on PSRB**

	<b>Factor 1 (job related)</b>	<b>Factor 2 (Co- worker related)</b>	<b>Factor 3 (Customer related)</b>
Break organisational rules for efficiency.	0.64		
Follow organisational policies, at the cost of lower efficiency.	0.81		
Ignore organisational policies to save the company resources.			0.83
When rules interfere with my job duties, I break those rules.	0.56		0.53
Break the rules if my co-workers need help with their duties.		0.77	
Pass up breaking the rules, even if it would help a co-worker.		0.74	
Do not break organisational set of laws, even if another colleague is in need.	0.51	0.77	
When another employee needs my help; I refuse to comply with organisational policies to help him/her.		0.74	
I break rules that stand in the way of good customer service.	0.69		
I give good service to clients or customers by ignoring organisational policies that get in the way with my job.			0.94
I bend organisational rules so that I can best assist customers.	0.87		
I refuse to violate organisational regulations to give a customer what they want.	0.78		

Source: Exploratory factor analysis of the primary data